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Chairman: Mr. Sharma (Nepal)
*Chairman of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Mselle

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The meeting was called to order at 10.10 a.m.

Agenda item 134: Financing of the United Nations Mission in Sierra Leone (*continued*) (A/57/680, A/57/681 and A/57/772/Add.3)

Agenda item 151: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo (*continued*) (A/57/682, A/57/683 and Add.1, A/57/756 and A/57/772/Add.10)

1. **Ms. Udo** (Nigeria), speaking on behalf of the African Group on the financing of the United Nations Mission in Sierra Leone (UNAMSIL), said that the commitment of the United Nations to stem the tide of conflict in Sierra Leone had helped to prevent the escalation of the crisis in that country and facilitated the eventual return of peace. Despite the apparent calm, security challenges persisted. The United Nations must therefore remain constructively engaged in Sierra Leone in order to maintain and consolidate the hard-earned peace.

2. The fifteenth report of the Secretary-General on the United Nations Mission in Sierra Leone (S/2002/987) had established five benchmarks to determine the pace of the envisaged drawdown of the Mission. The report also contained a plan for downsizing the military component of the Mission, under which troop strength was to be reduced to 13,000 by August 2003 and to 5,000 by late 2004. Noting that that process now appeared to have been accelerated, she asked what benchmarks had guided that decision. She emphasized that accelerated drawdown would be desirable, but only if it was accompanied by the development of the national capacities necessary to ensure continued peace and stability. The Secretariat must be guided by such considerations as it continued to monitor the situation in Sierra Leone. In that connection, she wished to know whether it had provided the detailed plans for the remainder of the drawdown, including options for faster and slower withdrawal depending on the security situation, requested in paragraph 5 of Security Council resolution 1470 (2003).

3. In formulating an exit strategy, the Secretariat must be guided by lessons learned and best practices in other missions, as well as by security conditions in Sierra Leone and in the region as a whole. It should also take into account the need to build adequate rule-

of-law capacity through training of civilian police, recruitment of police cadets, development of adequate infrastructure and strengthening of the justice system.

4. Noting that the amount proposed for the Mission for 2003/04 and recommended by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) reflected the anticipated drawdown, she stressed that the Mission must have sufficient resources to deal with any operational changes that occurred during the implementation period. The Security Council was to consider plans for further downsizing after it received the detailed plans for the remainder of the drawdown once the third phase was under way. She trusted that no action would be taken in respect of resource allocation that might prejudge the Council's decision.

5. She asked what steps the Secretariat was taking to reduce the continuing high vacancy rates in the Mission and expressed support for the decentralization of authority for recruitment at the local and regional levels, which would enable missions to meet their staffing needs more expeditiously. Lastly, she emphasized the importance of maintaining sufficient staff during the drawdown.

6. **Mr. Obame** (Gabon), speaking on behalf of the African Group, welcomed the progress made in deploying the civilian and military components of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC), which would help to ensure the success of phase III of the Mission. Since MONUC had proved to be one of the most complex but necessary missions in United Nations peacekeeping history, continued success depended on the deployment of troops and recruitment and training of civilian police to provide a smooth exit strategy.

7. The size of the country, the volatile situation and the range of critical tasks covered by the mandate of MONUC made it vital for the Mission to be given adequate resources, including more staff in the human rights component. Since a new budget to reflect the Mission's expanded mandate was expected by the end of 2003, the African Group wished to explore the merits of giving the Secretariat commitment authority to fill important Mission posts until the General Assembly considered the new budget at its fifty-eighth session. Commitment authority was needed all the more because of the changing situation on the ground,

as recent unfortunate incidents in Ituri and Bunia had shown.

8. The African Group was concerned about persistent high vacancy rates in the Mission, which was an obstacle to achieving the objective of restoring peace and security in the Democratic Republic of the Congo. It called upon the Department of Peacekeeping Operations and the Office of Human Resources Management to address that issue in the context of the financing of all peacekeeping operations.

9. The Group recalled the previous findings, conclusions and recommendations of the Office of Internal Oversight Services (OIOS), the United Nations Board of Auditors and the Advisory Committee on the airfield services contract for MONUC and welcomed the Secretariat's efforts to replace the existing contract with an arrangement for the provision of services through a combination of the military units of some troop-contributing countries and an international civilian contractor. However, it also hoped that the shortcomings which the oversight bodies had identified would be fully addressed and that the Secretariat would take the necessary steps to penalize contractors for non-performance, in accordance with the provisions of their contracts.

10. The Group requested the Department of Peacekeeping Operations and the Office of Central Support Services to ensure strict enforcement of the Organization's procurement rules and regulations. It was essential to follow the best procurement practices and to have a clearly defined code of ethics to guarantee transparency, fairness, and the accountability of all staff involved.

11. **Mr. Yamanaka** (Japan) reiterated his Government's support for the activities of MONUC. His delegation had noted that the Secretary-General would be reporting to the Security Council in May with recommendations for an expanded role for MONUC and that a new budget was to be submitted for consideration before the end of 2003. It had also taken note of the Advisory Committee's recommendation that, in the meantime, the Mission's budget and staffing table should be maintained at their current levels. It wished to recall, however, that the General Assembly had decided, in resolution 49/233 A, section I, paragraph 4, that for peacekeeping operations with budgetary requirements subject to fluctuation, budget estimates would be considered and approved by the

Assembly twice a year, for the periods from 1 July to 31 December and from 1 January to 30 June. Accordingly, the Fifth Committee should approve the budgetary requirements for MONUC for the period from 1 July to 31 December 2003 only. His delegation expected that, when the new budget was submitted, all posts would be fully justified in terms of the new concept of operation, organizational structure and workload, as requested by the Advisory Committee.

12. **Mr. Ng'ongolo** (United Republic of Tanzania) said that his delegation wished to associate itself with the statement made by the representative of Gabon on behalf of the African Group. Recent developments threatened to undermine the progress made by MONUC towards the restoration of peace and security in the Democratic Republic of the Congo and the realization of the objectives being pursued under regional integration; that was of deep concern to the United Republic of Tanzania, which was a neighbour of the Democratic Republic of the Congo and a fellow member of the Southern African Development Community.

13. The United Republic of Tanzania was a poor country. However, it had been granting refuge to persons fleeing upheavals in neighbouring States since gaining its independence in 1961. The influx of refugees had overstretched its already meagre resources and had led to environmental degradation and an upsurge in crime. Peace and security in the Democratic Republic of the Congo would encourage voluntary repatriation of refugees, thereby relieving the United Republic of Tanzania of its burden as a host country.

14. There was a need to increase the resources allocated to MONUC to enable it to implement its mandate effectively. His delegation was encouraged by the decision of the Security Council to send a mission to the Democratic Republic of the Congo to assess the situation on the ground and trusted that that would facilitate the determination of the actual requirements of MONUC.

15. His Government was ready to cooperate with the United Nations in restoring peace and security in the Great Lakes region and hoped that the international community would continue to play its part.

16. **Mr. Agyeman** (Ghana) said that his delegation wished to associate itself with the statement made by the representative of Gabon on behalf of the African

Group. Noting that the Secretary-General would report to the Security Council in May with recommendations for an expanded role for MONUC, he asked how the Secretariat envisaged the future operations of the Mission and whether it intended to strengthen the presence of MONUC in the Ituri region. The Governments of France and South Africa had stated that they would be prepared to send troops to the Democratic Republic of the Congo to participate in an international force. He wished to know what the status of that force would be and how it would interact with MONUC.

17. Concerning the provision of airfield services at MONUC, he asked why the relevant contract had been renewed despite instances of non-performance by the contractor and without review of the performance reports. As noted by the Advisory Committee (A/57/772/Add.10, para. 48), the contractor had formed a consortium with a catering company in order to obtain the contract. It was not clear to him, however, what services that company would provide. Under the new contract, the United Nations was to reimburse the contractor for the accommodation of international staff. He would like to know whether the related costs had been indicated at the time of the bidding process so as to enable a fair comparison to be made between the various bidders.

18. Lastly, noting that the proposed budget of MONUC provided for the deployment of an additional 120 United Nations Volunteers, he requested data on the number of volunteers by nationality.

19. **Ms. Udo** (Nigeria) said that her delegation wished to receive the same information in respect of UNAMSIL.

20. **Ms. Pollard** (Director of the Peacekeeping Financing Division), responding to the points raised, said that there had been a decrease in the vacancy rates in both MONUC and UNAMSIL, compared with the period ending 30 June 2002. With regard to MONUC, as at 30 April 2003, the vacancy rates had been reduced from 38 per cent to 18 per cent for international staff, from 47 per cent to 8 per cent for national staff and from 61 per cent to 1 per cent for United Nations Volunteers. As to UNAMSIL, as at 31 March 2003, the vacancy rates had been 19.4 per cent for international staff, 8.3 per cent for national staff and 6 per cent for United Nations Volunteers, compared with rates of 23

per cent, 16 per cent and 26 per cent, respectively, as at 30 June 2002.

21. She had taken careful note of the questions posed regarding the provision of airfield services at MONUC and would respond in informal consultations.

22. The budget of UNAMSIL had been prepared on the basis of a troop strength of 13,000. While the Advisory Committee recommended the appropriation of the full amount requested by the Secretary-General, it recommended assessment of a lower figure, taking into account savings of \$34 million anticipated as a result of the downsizing of the military component of the Mission to 11,000 personnel. Should the downsizing not take place and additional funds be required, the Administration would request the General Assembly to assess an additional amount within the appropriation already approved, as had been done in the current financial period. She would reply to the questions put concerning the application of benchmarks in informal consultations.

Agenda item 126: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Review of the rates of reimbursement to the Governments of troop-contributing States (*continued*) (A/57/774)

23. **Mr. Hammerschmidt** (Canada), speaking also on behalf Australia and New Zealand, said that the three Member States contributed troops, observers and civilian police to peacekeeping operations because of the high value they placed on the role of the United Nations in maintaining international peace and security. They also attached great importance to efficient and effective administration of peacekeeping operations, including a simple, transparent and equitable system of reimbursement for troop-contributing countries.

24. The reimbursement rate should be fair to the troop-contributing countries and to the peacekeeping system as a whole and should reflect the essential additional costs incurred by troop contributors when they took part in peacekeeping operations as well as the situation on the ground. The rate should also provide guidance on the validity and analysis of data and on the periodicity of the review and should be based on the principles of financial control, auditing and confirmed delivery of services.

25. On the recommendation of the Fifth Committee, the General Assembly, in its resolution 55/274, had requested the Secretariat to carry out a comprehensive review of the troop-cost methodology. The review had been welcome, but less comprehensive than expected. Although it had dealt further with the issue of the periodicity of reviews, it had done little about the methodology for determining reimbursement apart from adding two new components to the existing formula. It would be useful to know more about the administrative and financial implications of the proposed changes, and in particular how the principles of verification and financial control would apply to post-deployment medical costs and peacekeeping-related training. An expert-level evaluation was needed, as it would be difficult for the Committee to judge the proposals being made without first knowing their full implications.

26. **Ms. Pollard** (Director of the Peacekeeping Financing Division), responding to issues raised at the Committee's previous meeting by the representative of Greece, speaking on behalf of the European Union, said that, in the past, the General Assembly had requested the Secretariat to conduct reviews of the rates of reimbursement based on the methodology adopted in 1973 and had revised the rates based on those reviews. Pursuant to General Assembly resolution 55/229, the post-Phase V Working Group on reform procedures for determining reimbursement of contingent-owned equipment had considered the current methodology underlying the calculations of standard rates of reimbursements to troop-contributing States but had failed to reach consensus on the matter. Consequently, in its resolution 55/274, the General Assembly had requested the Secretary-General to submit for its approval, and taking into account the views expressed by Member States, a methodology for the reimbursement of troop costs and a questionnaire to be submitted to troop-contributing countries. The report before the Committee had been submitted in response to that request.

27. Given the technical nature of the matter, Member States might wish to convene a technical working group to review the rates of reimbursement. The Secretariat would provide the necessary support for such a group.

28. On the question of transparency, the proposed methodology laid out the various cost components for equal reimbursement and provided for the survey

questionnaire to be sent to all former and current troop- and formed police-contributors. In addition, when troop cost reimbursements were made for a particular mission, all troop-contributing countries would be paid at the same time.

29. With regard to financial controls and confirmed delivery of services, verification and payments were based on certified monthly troop strength reports that were based on actual numbers of troops deployed. That procedure was in line with the reimbursement arrangements for contingent-owned equipment, under which actual reimbursements to troop-contributing countries were based on verification reports of equipment deployed. If Member States decided that the principle of confirmed delivery of services should extend beyond the Secretariat's current interpretation and include qualitative criteria, the Secretariat would welcome guidance on the criteria to be applied.

30. On the question of the inclusion of isolated new variables in the methodology, post-deployment medical costs had been added to the methodology in accordance with proposal 2 of the post-Phase V Working Group. It was proposed to include those costs in the standard rates of reimbursement without further need for verification that post-deployment examinations had been undertaken, since it was assumed that Member States, in the interest of the welfare of their troops, would conduct post-deployment medical examinations. Current reimbursement arrangements for the repainting of equipment to national colours upon repatriation from the mission area were similar, in that the Organization did not impose verification requirements.

31. With regard to the addition of peacekeeping-related training costs, the post-Phase V Working Group had been in favour of including such costs under letter-of-assist arrangements concluded with troop-contributing countries on a case-by-case basis or as part of the standard rate of reimbursement. A review of both options had revealed that the inclusion of those costs in the calculation of the standard rates of reimbursement would comply with the principles of simplicity, transparency and equitable reimbursement, whereas using letter-of-assist arrangements would require additional administrative support for negotiations with troop-contributing countries based on actual costs, which could vary widely from one country to another. In addition, the development of the proposed manual on peacekeeping training would serve

as a more standardized and uniform basis for equitable reimbursement through the standard rates.

32. Regarding the assertion made by the representative of the European Union that ACABQ had suggested conducting an overall review of the matter, no specific recommendation to that effect had been made. The Fifth Committee had recommended that the post-Phase V Working Group should be requested to consider the current methodology underlying the calculation of standard rates of reimbursement. In its report of 4 April 2001 (A/55/887), ACABQ had recommended that, pending a comprehensive review of the methodology of reimbursement for troop costs, the General Assembly might wish to consider, as an ad hoc arrangement, increasing the standard monthly rates of reimbursement by 4 to 6 per cent. It had also recommended that consideration should be given to having recourse to a group of qualified individuals who would study and make proposals on the methodology and the elements on which it was based. General Assembly resolution 55/274 had taken account of the report of ACABQ.

33. Lastly, on the question of comprehensive information about the financial implications of a decision on the methodology, the financial implications would be generated only upon the approval of a methodology by the General Assembly. If the Assembly so wished, it could request the Secretariat to provide financial implications on the basis of an approved methodology, for which a test survey of all former and current troop-contributing countries could be undertaken. However, in the light of the response rate for past surveys, the Assembly would need to provide the Secretariat with guidance as to the number of responses required in order to meet its criterion for “comprehensive” information.

Agenda item 112: Programme budget for the biennium 2002-2003 (continued)

Outline of the proposed programme budget for the biennium 2004-2005 for the International Trade Centre UNCTAD/WTO (A/57/7/Add.26 and A/57/761)

34. **Mr. Khamis** (Chief of the Economic, Social and Human Rights Service in the Programme Planning and Budget Division), introducing the report of the Secretary-General on the outline of the proposed programme budget for the biennium 2004-2005 for the International Trade Centre UNCTAD/WTO (A/57/761),

said that the outline had been prepared following consultations with the World Trade Organization (WTO) and the International Trade Centre (ITC). The Committee on Budget, Finance and Administration of WTO had recently taken note of it, and on the basis of the recommendation of the General Assembly, a detailed estimate would be drawn up and submitted to the General Assembly and to the General Council of WTO in the autumn.

35. Two documents had been submitted to the Committee: a simple budget outline (A/57/761), in which appropriations were measured in Swiss francs, and a preliminary estimate, issued as document A/58/6 (section 13), in which they were measured in United States dollars.

36. In the past, the Fifth Committee had recommended that the General Assembly should take note of the relevant documents pending the submission of the detailed estimates.

37. **The Chairman** informed the Committee that the relevant report of ACABQ was contained in document A/57/7/Add.26.

38. **Mr. Huang Xueqi** (China) recalled that, on a number of different occasions, including the annual intergovernmental meeting of the Joint Advisory Group on ITC, the 35th session of ITC and the 31st executive session of the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD), representatives of China and the Group of Arab States had put forward proposals regarding the publication of all formal documents relating to ITC in all six official languages of the United Nations. All of the proposals had been approved and it had been decided to submit them to the General Assembly for further consideration. However, the budget outline currently before the Committee did not appear to reflect the additional cost of publishing the documents in Arabic and Chinese as well as in English, French, Spanish and Russian.

39. Since the budget outline was therefore incomplete and ITC needed more time to finalize the arrangements for the issuance of documents in Arabic and Chinese and to make the necessary budgetary adjustments, informal consultations on the issue should be postponed.

40. **Mr. Khamis** (Chief of the Economic, Social and Human Rights Service in the Programme Planning and

Budget Division) said that the Secretariat was aware of the discussions which had taken place within the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on the publication of documents in Arabic and Chinese and on follow-up action. The Trade and Development Board of UNCTAD had decided that, in principle, it would be desirable for the documents in question to be issued in all six official languages and would be submitting a proposal to that effect to the General Assembly at its fifty-eighth session. Subject to the approval of the Assembly, the Committee on Budget, Finance and Administration of WTO had decided to meet 50 per cent of the additional cost of adding Arabic and Chinese.

41. The Secretariat had not included those costs in the budget outline because it was waiting for the General Assembly to take a decision on the matter, but he believed that they could probably be absorbed in the existing budget estimates.

42. **Ms. Goicochea** (Cuba) asked whether it was realistic to expect that the additional costs of publishing documents in Arabic and Chinese could be absorbed in the current budget outline. She also wished to know whether the preliminary estimate would be revised once the General Assembly approved the relevant proposal.

43. Lastly, she requested further information as to why the joint review of the administrative arrangements had not yet been carried out, when it would be completed and whether its outcome would have an impact on the budget outline and preliminary estimate.

44. **Mr. Repasch** (United States of America) said that he had taken note of that fact that the proposed outline showed an increase of 5.4 per cent in real terms, which represented ten times the increase proposed by the Secretary-General for the regular budget. The budget for ITC seemed to increase every year and, given that the United States was paying 50 per cent of its costs, he was somewhat concerned at the lack of priority-setting and the absence of proposals to eliminate obsolete activities. He wished to know whether the Secretariat could provide any clarification in that regard.

45. **Mr. Khamis** (Chief of the Economic, Social and Human Rights Service in the Programme Planning and Budget Division), responding to the questions of the representative of Cuba, said that the Secretariat had gone no further than to mention the possibility of

covering the cost of issuing documents in Arabic and Chinese within the existing budget outline for ITC, in the event that the General Assembly approved the addition of those two languages. The budget outline had been prepared in accordance with the procedure which the Committee had recommended, and reflected the aggregate needs of the programme of work of ITC for the next two years. The General Assembly did not approve such estimates of needs because they were subject to change. It simply took note of them and resumed its discussion of them as part of its consideration of the budget as a whole. The Secretariat therefore had no plans to revise the preliminary estimates. The joint review of the administrative arrangements for ITC, meanwhile, had been delayed because the Secretariat had been busy preparing the proposed programme budget for the biennium 2004-2005 and had been unable to consult with WTO and ITC on the matter. The review would be conducted in the near future and a report made to the General Assembly at its fifty-eighth session.

46. Responding to the questions of the representative of the United States of America, he confirmed that the preliminary budget estimate for ITC did indeed show an increase of 5.4 per cent, but that increase should be measured not against the Secretary-General's ceiling on increases in the regular budget, but against the average increase in part IV of the programme budget (international cooperation for development). The activities of ITC were consistent with the Organization's priorities, since they fell under the heading of economic and social affairs, which the General Assembly had given priority status.

47. **Ms. Goicochea** (Cuba) said that her delegation attached great importance to the activities of ITC, especially its technical assistance programmes, and would examine its allocation of funds when the overall budget was considered by the General Assembly at its fifty-eighth session. However, she was still concerned about how the extra costs arising from the proposal to issue documents in Chinese and Arabic would be met. While she accepted the Secretariat's explanation that the budget outline was only an outline, it was based on anticipated needs and should therefore logically include the extra costs in question.

48. **Mr. Repasch** (United States of America) said that his delegation also valued the work of ITC, and agreed with the Secretariat that the General Assembly had given international trade high priority. However, the

budget outline for ITC contained a very specific request for additional posts at a time when the Organization was requiring all its programme managers to set priorities, identify obsolete activities and make cost savings. It was surely reasonable to expect ITC to do the same.

49. **The Chairman** said that the Committee would receive more responses to questions during informal consultations.

50. **Ms. Goicochea** (Cuba) said that, while her delegation did not object to receiving further information from the Secretariat in informal consultations, in the interests of sound procedure, questions asked at formal meetings of the Committee should be answered at formal meetings, as both the question and answer would then appear in the records of those meetings.

51. **Mr. Huang** Xueqi (China) said that his delegation hoped that the representatives of ITC would provide more details about the translation and use of Arabic and Chinese, and that the proposals made by China and the Group of Arab States would be considered and reflected in future budget proposals.

Organization of work

52. **The Chairman** said that, in the light of the discussions at the Committee's previous meeting, the Advisory Committee had issued its recommendations on the report of the Secretary-General on the financial situation of the International Research and Training Institute for the Advancement of Women (INSTRAW) as document A/57/7/Add. 27.

The meeting rose at 11.35 a.m.